

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6033

BILL NUMBER: SB 51

NOTE PREPARED: Feb 11, 2008

BILL AMENDED: Feb 7, 2008

SUBJECT: Reemployment of Retired Teachers.

FIRST AUTHOR: Sen. Weatherwax

FIRST SPONSOR: Rep. Niezgodski

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill reduces from 90 days to 30 days the waiting period after which a retired member of the: (1) State Teachers' Retirement Fund (TRF); or (2) Public Employees' Retirement Fund (PERF); may be reemployed in a covered position and continue to receive a retirement benefit.

Effective Date: July 1, 2008.

Explanation of State Expenditures: (Revised) Reducing from 90 days to 30 days the waiting period after which a retired member of TRF and/or PERF should have no quantifiable impact on either fund. This proposal will allow a retired TRF and/or PERF member to secure reemployment 60 days earlier. The funds affected are the state General Fund for TRF and the state General Fund and various dedicated funds which support PERF. The 30-day period may be implemented unless the TRF Board of Trustees receives a determination from the Internal Revenue Service prohibiting the implementation.

The bill also removes the \$35,000 earnings limitation for a member of PERF who has not attained Social Security normal retirement age for unreduced benefits and who is reemployed more than 30 days after the member's retirement in a covered position. Any impact of this provision will depend upon the demographics of the group and is expected to be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Teachers' Retirement Fund; Public Employees' Retirement Fund.

Local Agencies Affected:

Information Sources: Cristy Wheeler, Executive Director of TRF; 317-232-3864; Julia Pogue, Chief Financial Officer of TRF, 317-234-1591; Andrea Unzicker, General Counsel, PERF, 317-233-4132; Doug Todd of McCready & Keene, Inc., actuaries for PERF, 317 576-1508.

Fiscal Analyst: James Sperlik, 317-232-9866.